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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 97-771

COMPLETED

AUTHORIZING THE REPLACEMENT OF EXISTING PUMP CASINGS IN SOUTHERN NEVADA WATER PROJECT PUMPING PLANTS 1A AND 2A, AND FOR OTHER PURPOSES

AUGUST 19, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. UDALL, from the Committee on Interior and Insular Affairs, submitted the following

REPORT

[To accompany S. 1621]

[Including the cost estimate of the Congressional Budget Office]

The Committee on Interior and Insular Affairs, to whom was referred the bill (S. 1621) to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, line 8, change "1982," to "1983,".

PURPOSE

The purpose of S. 1621 is to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A.

BACKGROUND AND NEED

The Southern Nevada Water Project was authorized in 1966. The first phase of the project was placed in operation in 1971 and can deliver 132,000 acre-feet of water annually from Lake Meade for municipal and industrial purposes in Las Vegas, North Las Vegas, Henderson, Boulder City and Nellis Air Force Base. The second stage, which is under construction, will provide for the delivery of an additional 166,800 acre-feet annually.

The operation of the original pumps and motors at pumping plants 1A and 2A has been unsatisfactory and it is evident that the lifespan of the units will be significantly shorter than normal unless modified. The pumps were supplied by Hitachi American, Ltd.

Since the expiration of the one-year warranty period, Hitachi has expended considerable effort to modify the pumps. Cost expended in an effort to obtain acceptable results from the pumps approximate $1 million by Hitachi, $300,000 by the water users and $150,000 by the Bureau of Reclamation. Hitachi's original bid for furnishing and installing the pumps was $693,400. Experiments have demonstrated that the replacement of the existing cast steel casings with stainless steel casings will solve the problems at the two pumping plants. Hitachi has agreed to install the new pump casings at cost.

ANALYSIS

Section 1 of S. 1621, which passed the Senate on May 19, 1982, authorizes the Secretary of the Interior to procure and provide for the installation of twelve new stainless steel casings and appurtenant parts to replace existing pump casings in pumping plants 1A and 2A of the southern Nevada water project.

Section 2 authorizes the Secretary to negotiate for the procurement of the new casings with the original manufacturer of the original casings.

Section 3 provides that the costs of procurement of the pump casings shall be borne by the United States and shall be nonreimbursable and nonreturnable. Ordinarily the costs of projects constructed pursuant to the Federal reclamation laws which are allocated to municipal and industrial purposes are reimbursable. In approving this provision in Section 3, the Committee took into consideration the fact that the problem with the pump casings was, at least in part, due to faulty design and the responsibility of the Bureau of Reclamation. Approval of Section 3 is in no way intended to be a precedent for not requiring expenditures for municipal and industrial purposes in connection with Federal reclamation projects to be reimbursable in the future, as they have been heretofore. The section also provides that the State of Nevada shall install the replacement casings and parts at its cost.

Section 4 authorizes the appropriation of $1,500,000 (July, 1980 price levels) with a provision for cost indexing for the procurement of the new casings. The section further provides that the United States shall incur no further liability with respect to the pumps.

COMMITTEE ACTION

The Subcommittee on Water and Power Resources held a hearing on S. 1621 and a companion House bill, H.R. 5569, on June 15, 1982. The Full Committee on Interior and Insular Affairs considered S. 1621 on August 11, 1982, and by voice vote, ordered the bill reported favorably to the House with an amendment to change the effective date of the authorization for appropriations.

DEPARTMENTAL VIEWS

On June 15, 1982, the Commissioner of Reclamation testified on S. 1621 before the Subcommittee on Water and Power Resources and recommended enactment of the bill.

OVERSIGHT STATEMENT

No oversight recommendation has been received by the Committee pursuant to Rule XI.

COST AND INFLATIONARY IMPACT

The estimated cost to the Federal Government resulting from enactment of S. 1621 will be $1,500,000 (1980 prices) plus or minus such amounts as may be justified by ordinary fluctuations in prices. In the judgment of the Committee, enactment of S. 1621 will have no appreciable inflationary impact. The analysis of the Congressional Budget Office on this legislation follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

August 17, 1982.

1. Bill number: S. 1621.
2. Bill title: A bill to authorize the replacement of existing pump casings in Southern Nevada water project pumping plants 1A and 2A, and for other purposes.
3. Bill status: As ordered reported by the House Committee on Interior and Insular Affairs, August 11, 1982.
4. Bill purpose: This bill authorizes the Secretary of the Interior to procure twelve stainless steel pump casings for two pumping plants of the Southern Nevada water project, and authorizes the appropriation of funds necessary for this purpose.
5. Cost estimate:

[By fiscal years, in millions of dollars]

	1983	1984	1985	1986	1987
Estimated authorization level	1.8				
Estimated outlays	1.8				

The costs of this bill fall within budget function 300.

6. Basis of estimate: For the purpose of this estimate it is assumed that all funds authorized will be appropriated in fiscal year 1983. The estimated authorization level was derived by adjusting the $1.5 million (in July 1980 price levels) authorized in the bill to reflect historical and projected cost increases. Based on information from the Bureau of Reclamation, it is anticipated that all of the casings will be purchased in the year in which the funds are appropriated.
7. Estimate comparison: None.
8. Previous CBO estimate: On May 7, 1982, a CBO cost estimate was prepared for S. 1621, as ordered reported by the Senate Committee on Energy and Natural Resources on May 5, 1982. The two versions of the bill are identical.
9. Estimate prepared by: Debbie Goldberg (226–2860).
10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

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